

PROFILE

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June 29, 1987

Earn valuable gifts by joining the Telemarketing Employee Referral Club

Join the club and be rewarded, say the folks in Telemarketing. Their new program recognizes employees for helping generate sales, and it helps get interested prospects in touch with licensed sales representatives quickly.

The effort began as part of the Superior Customer Service Project, Telemarketing Director Mike Guyot said. "With the additional resources provided in 1987 to increase our sales results, we're really pleased to be able to kick off this referral program," he said.

To participate, employees will send Telemarketing the referral cards that are distributed this week with an all-employee memo. When a prospect becomes a policyholder, the employee becomes a club member and receives a coffee mug bearing Telemarketing's number—1-800-228-2071.

If five sales result, a leather-bound notebook will be awarded. For 10 sales, the reward is either a watch or a beach towel, Sales Manager Rochelle Alford said, adding that more recognition levels will be created as needed.

Customer Service and district office employees who routinely interact with people seeking coverage will become honorary club members, Guyot said. They'll receive mugs, but they're ineligible for other awards due to the nature of their jobs. "Our district offices and customer service units have really helped turn around the enrollment results in the Direct Markets area in the last two years, and we'll continue to thank them for their support," he said.

During the past 3½ years, Telemarketing has grown from a test unit of

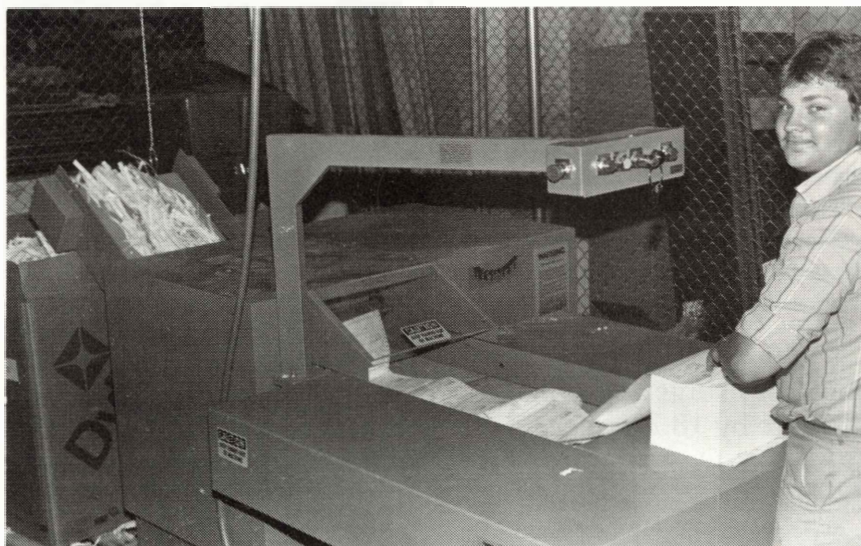
two sales representatives to an operation of 48 full-time personnel. In 1987, Telemarketing should produce more than 40,000 new sales and \$20 million in new annualized premiums, Guyot said.

"This department has undergone nearly constant change since I came aboard 2½ years ago, and it seems we'll continue to evolve with new opportunities for telephone sales," Guyot said.

Project manager Dreme Hodges, who has helped with some of the most significant changes of the past year,

said, "We're in the process of installing an automated system that will improve the productivity and cost effectiveness of our operations. With the help of our Systems and Finance areas, we obtained approval to invest in the improved efforts. Now we just need to make them work as planned."

Guyot concluded, "We believe that our company's greatest asset is its employees, and we're really pleased to be able to offer this program to the employees who help us with our number one priority—to sell, sell, sell."



BCBSF's newest paper shredder, "Jaws," can destroy 4,000 pounds of paper an hour. It can chew up a sturdy, 1½-inch-thick notebook containing 50 pages of documents and spit out a small stack of indecipherable strips of garbage. Corporate policy requires that disposal of all proprietary, sensitive or confidential information be via shredding. Scott Bialek is pictured operating the mechanical mauler.

BCBS NEWS

Competition among hospitals may raise costs, study shows

A new study indicates that competition may increase, rather than decrease, hospital inpatient costs by as much as 26 percent. Average costs per admission in the most competitive hospitals (those with more than 10 hospitals within a 15-mile radius) were that much higher than in hospitals with no nearby competitors (\$2,859 versus \$2,268). Average costs per patient day were 15 percent higher in the most competitive hospitals, the study of 5,732 nonfederal general hospitals also found.

The findings could mean that new federal reductions in Medicare reimbursements, which "tend to increase competition by shortening patient stays, will prove inflationary," said James C. Robinson, Ph.D., one of two University of California researchers who conducted the study. He said the "success enjoyed by Medicare in reducing hospital revenues in competitive local markets will limit the potential for classic price competition."

Most discussion of market-oriented, cost-control programs ignore the importance of nonprice competition, such as birthing suites, and by offering amenities to doctors, the researchers said. "Nonprice marketing strategies raise overall costs at least partially offset the gains in efficiency that result from price competition," they said.

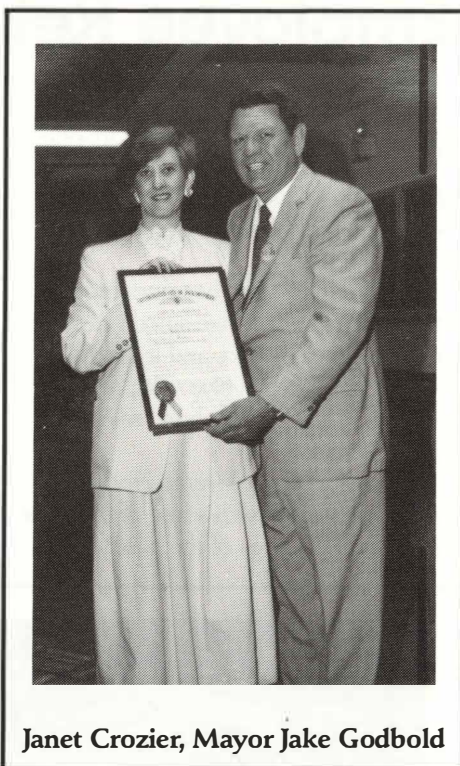
Ambulatory surgery payments to increase by 18.7 percent

Medicare payments to ambulatory surgery centers (ASC) will rise by 18.7 percent beginning July 1, the Health Care Financing Administration announced. Beneficiaries will be required to pay at least 20 percent coinsurance for services that have been reimbursed since 1982 at 100 percent of a prospectively set payment rate. HCFA is using the Consumer Price Index for urban consumers as the

basis for the update. Payments also are adjusted by a local wage index.

Walkers outpace joggers

A survey of 10,000 homes showed that the popularity of walking grew 28 percent last year, when there were 53 million exercise walkers and 23 million joggers. More than a fourth of the walkers were 55 years of age or older.



Janet Crozier, Mayor Jake Godbold

Crozier named to panels for seniors

Janet Crozier, a senior advocate in Government Programs, recently was re-appointed to the Jacksonville Commission on Aging by Mayor Jake Godbold. The panel recommends and sponsors programs supporting the city's older residents. She also was appointed to the advisory board of the Mary L. Singleton Senior Citizens' Center. Crozier says her volunteer work enhances her work experience and helps promote BCBSF.

Customer Service

Thanks for extra effort

Letter to **Attie Bridges** (Section Leader, PPC Customer Service): "We appreciated your efforts in pushing this claim through, since we had experienced numerous problems before. Thank you for the extra effort you gave in solving this issue!!"

Relieving the tension

Letter to **Miriam Baldrich** (Customer Service Representative, Miami): "With everything in such a turmoil, it is always a pleasure to talk to you. You relieve the tension and the pressure for awhile."

Fast response, good results

A subscriber was thankful that **Diane Thomas** (Customer Service Representative, FEP Telephone Inquiries) called her back promptly with a solution. "...I hope you have many more employees like (her)..."

HIS workshop helped

Thanking **Kelly Palmer** and **Tom Williams** (HIS Field Service Representatives) for their presentation, a doctor wrote: "I loved your workshop very much. I wish I had had the opportunity to attend it earlier, as it would have saved me thousands of dollars."

Superior Customer Service is when...

The people who serve you are consistently friendly and go out of their way, or spend a little extra time, to make certain you get an answer. When you're not kept waiting, or if there's a delay, they inform you and let you know why. When people come to you because they know you are willing and able to help them.

*Jan Humphrey
Compensation and Benefits*

FEP's statewide presence and pricing keep it strong amid increasing competition

Almost 38 percent of Florida's estimated 219,000 federal employees and retirees have health care protection from BCBSF's Federal Employee Program. It's a substantial, growing number of accounts that can be attributed primarily to three factors—outstanding Preferred Patient Care product, service and price, said FEP Director Robert Endriss.

That 38 percent actually represents more than 200,000 persons (federal employees, retirees, and their dependents). It's the first time that FEP has surpassed that membership level.

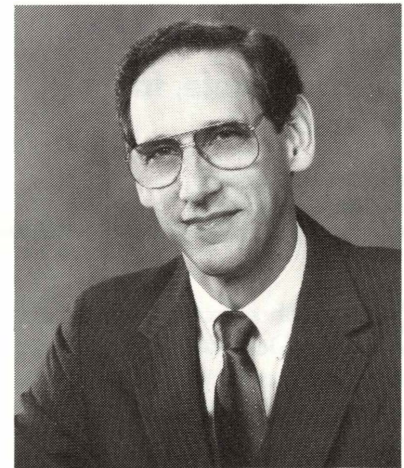
"No one in Florida has anything that can compare with our physician and hospital network," Endriss said, noting that more than 8,000 doctors and 98 hospitals participate in the FEP program. Some competitors have a strong presence in certain markets, but they don't have a statewide network, he said.

Dedicated FEP units, whose employees number 50 to 60 in claims and about 30 in customer service, enable Blue Cross and Blue Shield of Florida to provide better service more promptly than the competition, Endriss said. And "paperless" claims filing is another significant benefit for subscribers, he said.

Increased enrollment in recent years, despite growing competition,—counting HMOs, some 40 companies now vie for market share—reflects both the Florida Plan's leadership in health care coverage and service, and subscribers' acceptance of an excellent product that's competitively priced, Endriss said.

In 1985, when Preferred Patient Care was introduced as a point of service product, BCBSF's net FEP enrollment gain ranked second in the nation among Blue Cross and Blue Shield Plans, behind Washington, D.C. Last year's net gain of 2,001 contracts represented 24 percent of the net new enrollment for all of the Blue Cross and Blue Shield Plans nationally.

During the upcoming "open season" this November and December, FEP marketing representatives will work to improve upon recent successes, Endriss said.



Ernie Brodsky

Brodsky named to Jax transportation board

Ernie Brodsky, vice president of Preferred Provider Organization/Field Services, has been appointed to a three-year term on the Jacksonville Transportation Authority by Governor Bob Martinez. "It's an opportunity to demonstrate Blue Cross and Blue Shield of Florida's involvement in and commitment to community affairs," Brodsky said. Managing transportation issues is a major challenge for any community in a stage of growth like Jacksonville is experiencing, he added.

BCBSF employees now have dedicated unit for claims

Since June 15, 1987, all BCBSF employee Traditional and PPC claims and inquiries are being processed through a dedicated Major Accounts Service unit with a toll-free number.

For easier access to customer service representatives, employees should call 1-800-654-1799.

The dedicated unit, supervised by Kim Blount, is part of the corporation's efforts to provide superior customer service to all BCBSF employees, said George Cassidy, vice president of Human Resources.

"We are presently exploring the possibility of establishing an internal customer service number for employees located in Jacksonville," Cassidy said. "In the interim, Jacksonville office employees should also continue to deposit their claims in the designated box in the Riverside lobby.

"With the dedication of this service unit, and employees' cooperation in using the new procedures, we can continue our commitment to provide employees with the same level of superior service that we strive to provide to our customers," Cassidy said.

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Jean McComb, Manager
Frank Dorman, Editor
Printing, Corporate Print Shop

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Human Resources

Keeping a safe, friendly workplace

from the Safety and Security Department

Staff members from the Safety and Security Department, with the assistance of security officers from Advance Security, Inc., are on duty in the home office complex every calendar day of the year. The department goal is to create a hazard-free and "work friendly" atmosphere by implementing positive changes to both the environment and our departmental ability to respond to employee and corporate needs.

We currently operate with three shifts to service the entire day, and we maintain this schedule with a total staff of 23 employees. Some of the major services we provide on a daily basis:

- Monitor and respond to the fire, intrusion and smoke detector systems.
- Make fire, security and safety patrols of the complex.
- Facilitate the Safety Captain Program.

- Record all accidents or incidents in the complex and take appropriate action to prevent recurrence.
- Operate an unofficial lost and found department.
- Administer the Human Resource Parking Policy and associated facilities.
- Produce and replace corporate I.D. badges.
- Register guests and visitors.
- Monitor the building population to ensure that only authorized persons have access.
- Support the corporate nurse in emergency situations and take the lead in her absence.
- Maintain a "command post" 24 hours a day to respond to situations, or to relay information to appropriate authorities concerning our environment.

Beyond these "maintenance" functions, the department has identified several key projects that target environmental improvements as their objective, and we have collectively embarked in this new direction toward these enhancements.

Blood drive nets 168 pints

On June 23, 188 Jacksonville employees signed up to give blood and 168 people actually donated, which made for a very, very good day," Corporate Nurse Mary Cohn said. The one-day drive went so well that two others will be scheduled this year, and it looks like BCBSF will meet its 1988 goal of out-donating all other companies in Jacksonville, she said.

McComb to represent BCBSF in London

Jean McComb, manager of Corporate Communications, will accept an award in July from the International Association of Business Communicators in London on behalf of its Jacksonville chapter, for which she is IABC/First Coast accreditation chairman and its 1985 president. The second-place honor is for Small Chapter of the Year for 1987.

SERVICE ANNIVERSARIES

15 YEARS

Debra Sheffield
Request Refund

Larry Wisen
Technical Service &
Capacity Planning

10 YEARS

George Cassady
V.P. - Human Resources

Joan Conner
Med B Prepayment
Utilization

Cynthia Solomon
Accounts Payable

5 YEARS

Mary Moore
Systems Services

Lynda Richmond
HIS Field Services

Tommy Riggs
Financial Planning/
Analysis

PROMOTIONS

Carla Keating
HMO Registrant &
Bookkeeper

Edward Sullivan
Blue Cross Claims

NEW EMPLOYEES

David Karstedt
Records Clerk A
Stockroom & Warehousing
Personnel

Edward Korunes
System Analyst
Senior PAS
PAS - Software
Development

Linda Leak
Secretary B
Advertising & Sales
Promotion

Jeanne Smith
Utilization Review
Coordinator
HO - South Florida

Robert Teal
Senior Compensation
Analyst
Organization &
Compensation